



# Housing Act 1985

## 1985 CHAPTER 68

### PART XIV

#### LOANS FOR ACQUISITION OR IMPROVEMENT OF HOUSING

##### *Miscellaneous*

#### **451 Loans by Public Works Loan Commissioners.**

- (1) The Public Works Loan Commissioners may lend money for the purpose of constructing or improving houses, or facilitating or encouraging the construction or improvement of houses, to any person entitled to land for an estate in fee simple absolute in possession or for a term of years absolute of which not less than 50 years remains unexpired.
- (2) A loan for any of those purposes, and interest on the loan, shall be secured by a mortgage of—
  - (a) the land in respect of which the purpose is to be carried out, and
  - (b) such other land, if any, as may be offered as security for the loan;and the money lent shall not exceed three-quarters of the value, to be ascertained to the satisfaction of the Public Works Loan Commissioners, of the estate or interest in the land proposed to be so mortgaged.
- (3) Loans may be made by instalments from time to time as the building or other work on land mortgaged under subsection (2) progresses (so, however, that the total amounts lent does not at any time exceed the amount specified in that subsection); and a mortgage may be accordingly made to secure such loans so made.
- (4) If the loan exceeds two-thirds of the value referred to in subsection (2), the Public Works Loan Commissioners shall require, in addition to such a mortgage as is mentioned in that subsection, such further security as they may think fit.
- (5) The period for repayment of the loan shall not exceed 40 years, and no money shall be lent on a mortgage of land or houses unless the estate proposed to be mortgaged is

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either a fee simple absolute in possession or an estate for a term of years absolute of which not less than 50 years are unexpired at the date of the loan.

- (6) This section does not apply to housing associations; but corresponding provision is made by <sup>F1</sup>section 23 of the Housing Act 1996]

#### Textual Amendments

**F1** Words in s. 451(6) substituted (1.10.1996) by S.I. 1996/2325, art. 5(1), Sch. 2 para. 14(24)

### 452 Vesting of house in authority entitled to exercise power of sale.

- (1) Where there has been a disposal of a house by a housing authority and—
- (a) the authority is a mortgagee of the house,
  - (b) the conveyance or grant contains a pre-emption provision in favour of the authority, and
  - (c) within the period during which the pre-emption provision has effect the authority becomes entitled as mortgagee to exercise the power of sale conferred by section 101 of the <sup>M1</sup>Law of Property Act 1925 or the mortgage deed.

the provisions of Schedule 17 apply with respect to the vesting of the house in the authority.

- (2) In subsection (1)—
- “disposal” means a conveyance of the freehold or a grant or assignment of a long lease;  
<sup>F2</sup> . . .
- “pre-emption provision” means a covenant imposing a condition of the kind mentioned in section 33(2)(b) or (c) (right of pre-emption or prohibition of assignment), the limitation specified in section 157(4) (restriction on disposal of dwellings in National Parks, etc.), or any other provision to the like effect.

- (3) The vesting of a house under Schedule 17 shall be treated as a relevant disposal for the purposes of—
- (a) the provisions of Parts II and V relating to the covenant required by section 35 or 155 (repayment of discount on early disposal), and
  - (b) any provision of the conveyance or grant to the like effect as the covenant required by those sections.
- (4) Where a conveyance or grant executed before 26th August 1984 contains both—
- (a) a pre-emption provision within the meaning of subsection (1), and
  - (b) the covenant required by section 35 or 155 (repayment of discount on early disposal) or any other provision to the like effect.

the latter covenant or provision has effect as from that date with such modifications as may be necessary to bring it into conformity with the provisions of this section.

- (5) The preceding provisions of this section do not apply where the conveyance or grant was executed before 8th August 1980.

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- (6) Where before 8th August 1980 a local authority sold property under the powers of section 104(1) of the <sup>M2</sup>Housing Act 1957 (disposal of houses provided under Part V of that Act) and—
- (a) part of the price was secured by a mortgage of the property,
  - (b) such a condition was imposed on the sale as was mentioned in section 104(3) (c) of that Act, and
  - (c) within the period during which the authority has the right to re-acquire the property they become entitled to exercise the power of sale conferred by section 101 of the <sup>M3</sup>Law of Property Act 1925 or by the mortgage deed,
- the provisions of Schedule 17 apply with respect to the vesting of the property in the authority, but subject to the modifications specified in paragraph 4 of that Schedule.

#### Textual Amendments

- F2** Definition of 'housing authority' in s. 452(2) repealed (17.8.1992) by [Housing and Planning Act 1986](#) (c. 63, SIF 61), s. 24(2)(3), [Sch. 5 Pt. II para. 35](#), [Sch. 12 Pt. I](#); S.I. 1992/1753, [art.2\(2\)](#) (relating to Sch. 5 para. 35 by virtue of which the definition is omitted) (with restriction in Sch. para. 4)

#### Modifications etc. (not altering text)

- C1** S. 452 extended (5.7.1994) by [1994 c. 19, s. 39](#), [Sch. 13 para. 22](#) (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2))

#### Marginal Citations

- M1** 1925 c. 20.  
**M2** 1957 c. 56.  
**M3** 1925 c. 20.

### 453 Further advances in case of disposal on shared ownership lease.

- (1) Where—
- (a) a lease of a house, granted otherwise than in pursuance of the provisions of part V (the right to buy) relating to shared ownership leases, contains a provision to the like effect as that required by paragraph 1 of Schedule 8 (terms of shared ownership lease: right of tenant to acquire additional shares), and
  - (b) a housing authority [<sup>F3</sup>(other than the Homes and Communities Agency)] has, in the exercise of any of its powers, left outstanding or advanced any amount on the security of the house.

that power includes power to advance further amounts for the purpose of assisting the tenant to make payments in pursuance of that provision.

<sup>F4</sup>(2) .....

#### Textual Amendments

- F3** Words in s. 453(1)(b) inserted (1.12.2008) by [The Housing and Regeneration Act 2008 \(Consequential Provisions\) Order 2008](#) (S.I. 2008/3002), art. 4, [Sch. 1 para. 23](#) (with Sch. 2); S.I. 2008/3068, arts. 1(2), [2\(1\)\(b\)](#) (with arts. 6-13)
- F4** S. 453(2) repealed (17.8.1992) by [Housing and Planning Act 1986](#) (c. 63, SIF 61), s. 24(2)(3), [Sch. 5 Pt. II para. 36](#), [Sch. 12 Pt. I](#); S.I. 1992/1753, [art.2\(2\)](#) (relating to Sch. 5 para. 36 by virtue of which s. 453(2) is omitted) (with restriction in Sch. para. 4)

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**Modifications etc. (not altering text)**

**C2** S. 453 extended (5.7.1994) by 1994 c. 19, s. 39, **Sch. 13 para. 22** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2))

**F<sup>5</sup>454** .....

**Textual Amendments**

**F5** S. 454 repealed (1.3.2000) by S.I. 2000/311, **art. 15**

**F<sup>6</sup>455** .....

**Textual Amendments**

**F6** S. 455 repealed (1.3.2000) by S.I. 2000/311, **art. 15**

**456 Advances under the Small Dwellings Acquisition Acts.**

The provisions of Schedule 18 have effect with respect to advances made under the Small Dwellings Acquisition Acts 1899 to 1923 before the repeal of those Acts by the <sup>M4</sup>Housing (Consequential Provisions) Act 1985.

**Marginal Citations**

**M4** 1985 c. 71.

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